



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-123]

Certain Corrosion Inhibitors from the People's Republic of China: Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of certain corrosion inhibitors from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Theodore Pearson or Nicholas Czajkowski, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2631 or (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

The petitioner in this investigation is Wincom, Inc. In addition to the Government of China, the selected mandatory respondents in this investigation are Jiangyin Delian Chemical Co., Ltd. (Delian) and Nantong Botao Chemical Co., Ltd. (Botao).

On July 13, 2020, Commerce published in the *Federal Register* the *Preliminary Determination* of this investigation.¹ In the *Preliminary Determination*, in accordance with

¹ See *Certain Corrosion Inhibitors from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 85 FR 41960 (July 13, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

section 705(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(b)(4), Commerce aligned the final CVD determination in this investigation with the final antidumping duty (AD) determination in the companion AD investigation of certain corrosion inhibitors from China. The revised deadline for the final determination of this investigation is now January 25, 2021. On October 29, 2020, Commerce issued a Post-Preliminary Analysis.²

A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum which is hereby adopted by this notice.³ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Period of Investigation

The period of investigation is January 1, 2019, through December 31, 2019.

Scope of the Investigation

The products covered by this investigation are certain corrosion inhibitors from China. For a full description of the scope of this investigation, *see* Appendix I.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A

² See Memorandum, "Post-Preliminary Analysis in the Countervailing Duty Investigation of Corrosion Inhibitors from the People's Republic of China," dated October 29, 2020.

³ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination of the Countervailing Duty Investigation of Corrosion Inhibitors from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

list of the issues raised by parties, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

Methodology

Commerce conducted this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

In making this final determination, Commerce relied, in part, on facts available pursuant to section 776(a) of the Act. Additionally, as discussed in the Issues and Decision Memorandum, because one or more respondents did not act to the best of their ability in responding to our requests for information, we drew adverse inferences, where appropriate, in selecting from among the facts otherwise available, pursuant to section 776(b) of the Act. This includes three companies that did not respond to Commerce’s quantity and value questionnaire; as described in the *Preliminary Determination*,⁵ we have applied an adverse inference in selection of facts available for determining the subsidy rates for these companies, pursuant to section 776(d) of the Act. For further information, *see* the section “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Issues and Decision Memorandum.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁵ *See Preliminary Determination* PDM at 12-20, section “Application of AFA: Non-Responsive Q&V Questionnaire Recipients.”

an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Act.⁶

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, we made certain changes to Botao and Delian's subsidy rate calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

In accordance with section 705(c)(1)(B)(i)(I) of the Act, Commerce calculated a countervailable subsidy rate for the individually investigated exporters/producers of the subject merchandise. Section 705(c)(5)(A) of the Act provides that, in the final determination, Commerce shall determine an estimated all-others rate for companies not individually examined. The rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any rates that are zero, *de minimis*, or rates based entirely under section 776 of the Act.

In this investigation, as discussed in the Issues and Decision Memorandum, Commerce calculated individual estimated countervailable subsidy rates for Delian and Botao that were not zero, *de minimis*, or based entirely under section 776 of the Act. Therefore, Commerce calculated an all-others rate using a simple average of the individual estimated subsidy rates calculated for Botao and Delian using each company's values for the merchandise under consideration because publicly ranged sales data was unavailable.⁷

⁶ *See* Commerce's Letter, "Certain Corrosion Inhibitors from the People's Republic of China: Nantong Botao Chemical Co., Ltd. Verification Questionnaire," dated November 30, 2020; *see also* Commerce's Letter, "Certain Corrosion Inhibitors from the People's Republic of China: Jiangyin Delian Chemical Co., Ltd. Verification Questionnaire," dated November 30, 2020; Botao's Letter, "Certain Corrosion Inhibitors from the People's Republic of China: Botao Verification Questionnaire Response," dated December 7, 2020; and Delian's Letter, "Corrosion Inhibitors from China; C-570-123; CVD Questionnaire in Lieu of Verification," dated December 7, 2020.

⁷ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France,*

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent)
Jiangyin Delian Chemical Co., Ltd.	93.05
Nantong Botao Chemical Co., Ltd.	61.62
CAC Shanghai Chemical Co., Ltd.,	239.21
Jiangyin Gold Fuda Chemical Co., Ltd.	239.21
Xinji Xi Chen Re Neng Co., Ltd.	239.21
All Others	77.34

Disclosure

Commerce intends to disclose to interested parties the calculations and analysis performed in this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of the publication of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 703(d)(1)(B) and (d)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the “Scope of the Investigation” section entered, or withdrawn from warehouse, for consumption, effective July 13, 2020, which is the date of publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the Act, effective November 10, 2020, we instructed CBP to

Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010). As complete publicly ranged sales data are not available, Commerce based the all-others rate on a simple average of the mandatory respondents’ subsidy rates.

discontinue the suspension of liquidation of all entries at that time, but to continue the suspension of liquidation of all entries between July 13, 2020 and November 9, 2020.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order, reinstate the suspension of liquidation and require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above, in accordance with section 706(a) of the Act. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our affirmative determination that countervailable subsidies are being provided to producers and exporters of corrosion inhibitors from China. Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of corrosion inhibitors from China no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a countervailing duty order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an administrative protective order (APO) of their

responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: January 25, 2021.

Christian Marsh,

Acting Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is tolyltriazole and benzotriazole. This includes tolyltriazole and benzotriazole of all grades and forms, including their sodium salt forms. Tolyltriazole is technically known as Tolyltriazole IUPAC 4,5 methyl benzotriazole. It can also be identified as 4,5 methyl benzotriazole, tolutriazole, TTA, and TTZ.

Benzotriazole is technically known as IUPAC 1,2,3-Benzotriazole. It can also be identified as 1,2,3-Benzotriazole, 1,2-Aminozophenylene, IH-Benzotriazole, and BTA.

All forms of tolyltriazole and benzotriazole, including but not limited to flakes, granules, pellets, prills, needles, powder, or liquids, are included within the scope of this investigation.

The scope includes tolyltriazole/sodium tolyltriazole and benzotriazole/sodium benzotriazole that are combined or mixed with other products. For such combined products, only the tolyltriazole/sodium tolyltriazole and benzotriazole/sodium benzotriazole component is covered by the scope of this investigation. Tolyltriazole and sodium tolyltriazole that have been combined with other products is included within the scope, regardless of whether the combining occurs in third countries.

Tolyltriazole, sodium tolyltriazole, benzotriazole and sodium benzotriazole that is otherwise subject to this investigation is not excluded when commingled with tolyltriazole, sodium tolyltriazole, benzotriazole, or sodium benzotriazole from sources not subject to this investigation. Only the subject merchandise component of such commingled products is covered by the scope of this investigation.

A combination or mixture is excluded from this investigation if the total tolyltriazole or benzotriazole component of the combination or mixture (regardless of the source or sources) comprises less than 5 percent of the combination or mixture, on a dry weight basis.

Notwithstanding the foregoing language, a tolyltriazole or benzotriazole combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the tolyltriazole or benzotriazole can no longer be separated from the other products through a distillation or other process is excluded from this investigation.

Tolyltriazole has the Chemical Abstracts Service (CAS) registry number 299385-43-1. Tolyltriazole is classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2933.99.8220.

Sodium Tolyltriazole has the CAS registry number 64665-57-2 and is classified under HTSUS subheading 2933.99.8290.

Benzotriazole has the CAS registry number 95-14-7 and is classified under HTSUS subheading 2933.99.8210.

Sodium Benzotriazole has the CAS registry number 15217-42-2. Sodium Benzotriazole is classified under HTSUS subheading 2933.99.8290.

Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
 - II. Background
 - III. Subsidies Valuation
 - IV. Use of Facts Otherwise Available and Adverse Inferences
 - V. Analysis of Programs
 - VI. Analysis of Comments
 - Comment 1: Whether Commerce Should Reconsider the Petitioner's Standing to Bring the Investigation
 - Comment 2: Whether Commerce Should Renew Suspension of Liquidation and Collection of Cash Deposits Prior to the Publication of an Affirmative Determination by the ITC
 - Comment 3: Countervailability of the Export Buyer's Credit Program
 - Comment 4: Whether Commerce Should Select a Different Benchmark for the Provision of Land-Use Rights for Less Than Adequate Remuneration (LTAR) for Encouraged Industries
 - Comment 5: Countervailability of the Provision of Electricity for LTAR
 - Comment 6: Whether the Provision of Ortho Phenylene Diamine for LTAR is Specific
 - Comment 7: Benchmarks for the Calculation of Inputs for LTAR
 - Comment 8: Countervailability of Other Subsidies
 - VII. Recommendation
- [FR Doc. 2021-01976 Filed: 1/28/2021 8:45 am; Publication Date: 1/29/2021]